



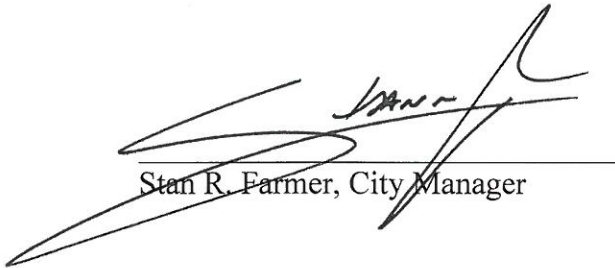
CITY OF HORSESHOE BAY



August 12, 2013


I, Stan R. Farmer, City Manager and Budget Officer of the City of Horseshoe Bay, do hereby certify that on this date, August 12, 2013, I filed the Proposed Budget for Fiscal Year 2014 in the office of the City Secretary in compliance with Section 102.005 of the Local Government Code.

The Proposed Budget for Fiscal Year 2014 is available for public inspection.


Stan R. Farmer, City Manager

Date: 8/12/13

Attest:


Teresa L. Moore, City Secretary

CITY OF HORSESHOE BAY

PROPOSED BUDGET



OCTOBER 1, 2013
To
SEPTEMBER 30, 2014



CITY OF HORSESHOE BAY



Fiscal Year 2014 Budget Summary

This is a summary of the Fiscal Year 2014 proposed budget of the City, and it reflects the results of the guidance from the Mayor and Council at the City Budget Workshop conducted on July 1, 2013.

Current Fiscal Year 2013 Estimated Actuals ending September 30, 2013

The City's FY 2013 budget execution should result in meeting all of the City's objectives for the current fiscal year, including all reserve requirements and debt requirements, while maintaining a total tax rate of \$.25. The City remains in excellent financial condition.

The General Fund budget primarily supports traditional city expenditures such as Animal Control, Fire and Police protection, and Accounting/Finance; however, Streets Maintenance and the Lot Clearing and Lot Mowing programs are also a significant portion of the budget. The lot clearing program implemented approximately four years ago has been very successful in reducing fire risk as well as greatly improving appearances. The City Council also voted to expand the clearing program to allow for the removal of dead oak trees and cedar trees to further reduce fire risks and make scarce water available for the struggling oak trees. This program will continue into FY 2014. After lots are cleared, they become part of the mowing program. At the end of the fiscal year on September 30, 2013, estimated General Fund revenues will exceed budget and the expenditures will be under budget.

The Utility Fund budget included \$630K in routine annual capital purchases and equipment replacement projects and five major projects totaling \$2.69M. The Summit Rock elevated storage tank will be almost complete in FY 2013 and is completely funded by developers' contributions. The replacement of main wastewater and waterlines on HSB N Blvd N and on HSB Blvd respectively were also completed during the fiscal year. At the end of the fiscal year on September 30, 2013, estimated Utility Fund revenues will exceed budget and the expenditures will be under budget.

The Capital Projects Fund budget included over \$5.6M for the Street Improvement Plan adopted by City Council in 2011, which progressed very well during the year. Street construction in the area North of 2147 and was completed in May. Construction on Faultline began in April and is expected to be complete in August 2013. Bids were taken for the Hi Circle South area in July and construction will start in August and continue well into FY2014.

The Debt Service Fund, established for the purpose of meeting the debt service payments on the \$6M Certificates of Obligation issued in FY2011 for the Street Improvement Plan, will end the fiscal year with sufficient tax collections to meet the debt obligation for the year.

FY 2013 ACTUALS (ESTIMATED)

REVENUES	GENERAL FUND	UTILITY FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND
Revenues	6,106,632	6,149,500	3,500	430,000
Transfers In	-	-	1,250,000	-
TOTAL REVENUES	6,106,632	6,149,500	1,253,500	430,000
EXPENDITURES				
Labor & Other Direct Costs	5,417,450	4,750,950	93,700	-
Debt Service	-	460,000	-	424,250
Capital Program	54,000	2,813,000	5,500,000	-
Transfers Out	1,250,000	-	-	-
Developer's Contribution	-	(1,483,000)	-	-
TOTAL EXPENDITURES	6,721,450	6,540,950	5,593,700	424,250
REVENUES OVER EXPENDITURES	(614,818)	(391,450)	(4,340,200)	5,750

Fiscal Year 2014 Proposed Budget October 1, 2013 – September 30, 2014

For Fiscal Year 2014, the proposed budget is conservative, accomplishes all the objectives of the City, and provides for the necessary levels of services to the Citizens of Horseshoe Bay, while maintaining a tax rate of \$.25.

The budget proposal covers all traditional expenses including salaries, operations and maintenance, debt service, reserves, the annual capital program, the street improvement plan, and contingency. It includes increases for proposed salary adjustments earned by the meritorious work of employees, as well as remaining competitive in the labor market. The total City Staff will be 74 full-time employees, 4 part-time employees, and a pool of 15 part-time firefighters. Three new staff members have been added to the Utility Department.

The General Fund capital budget provides for a monument sign and a contingency for emergency equipment replacements. The main highlights from the Utility Fund capital budget are the completion of the Hi Circle South waterline replacement, an upgrade to the Western Bit sewer line, and completion of the elevated storage tank in Summit Rock at the developer's expense. The main highlight from the Capital Projects Fund capital budget is the \$5.5M for the street improvement projects.

The proposed FY 2014 General Fund revenues are budgeted to exceed expenses by approximately \$66,600. The Utility Fund is essentially self supporting – revenues are sufficient to cover operating expenses as well as routine capital projects. However, the proposed FY 2014 Utility Fund reflects total budgeted revenues \$581,100 less than the budgeted expenses. This is due to the major capital projects for the year totaling a net City cost of \$615,000. These projects are typically funded by investments or from the sale of bonds. The Capital Projects Fund budgeted revenues are \$5,348,250 less than budgeted expenses, which will also be funded by using current unallocated fund balances or the sale of certificates of obligation. The Debt Service Fund budget provides for revenues sufficient to cover the debt service on the \$6M Certificates of Obligation.

The City Council has proposed to maintain the current ad valorem tax rate of \$.25/\$100 generating estimated tax revenues of \$3.43M for the General Fund and \$425K for the Debt Service Fund resulting in total estimated tax revenues of \$3.855M.

FY 2014 PROPOSED BUDGET

REVENUES	GENERAL FUND	UTILITY FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND
Revenues	6,662,600	6,076,500	1,000	425,100
Transfers In	-	-	250,000	-
TOTAL REVENUES	6,662,600	6,076,500	251,000	425,100
EXPENDITURES				
Labor/Other Direct Costs	6,286,500	5,018,600	99,250	-
Debt Service - Principal	-	480,000	-	165,000
Debt Service – Interest	-	-	-	260,000
Capital Program – Routine Projects	59,500	544,000	5,500,000	-
Capital Program – Major Projects	-	890,000	-	-
Developer’s Contribution	-	(275,000)	-	-
Net Capital Program – Major Projects	-	615,000	-	-
Transfers Out	250,000	-	-	-
TOTAL EXPENDITURES	6,596,000	6,657,600	5,599,250	425,000
REVENUES OVER EXPENDITURES	66,600	(581,100)	(5,348,250)	100

The Budget Process

As Budget Officer of the City, the City Manager has presented this Proposed Budget to the City Secretary for official recording and posting to the City’s website. The Mayor and Council will further discuss the budget, appropriate utility rates, and have the first of two public hearings at their budget workshop at 9:00 a.m. on August 27, 2013. The second public hearing on the proposed tax rate will be held September 3, 2013 at 9:00 a.m. Following a public hearing the Mayor and Council expect to adopt the final budget at their regular meeting on September 17th, as well as adopt the tax rate. The final budget will be filed with the City Secretary and posted on the City website.

Citizens are invited to attend the scheduled meetings and provide their verbal comments or they may submit written comments by email to city@horseshoe-bay-tx.gov or by mail to Bob Lambert, Mayor, City of Horseshoe Bay, P.O. Box 7765, Horseshoe Bay, TX 78657-7765. Written comments should be received no later than September 1, 2013 to be considered.

Please contact Teresa Moore, City Secretary, at 830-598-9943 if you have any questions or desire a copy of the proposed budget documents.

CITY OF HORSESHOE BAY

GENERAL FUND

PROPOSED BUDGET SUMMARY

FISCAL YEAR 2013 - 2014

BEGINNING UNRESTRICTED FUND BALANCE	3,688,000
REVENUES:	
Ad Valorem Taxes	3,430,000
Ad Valorem Taxes - Penalty & Interest/Other	34,000
Sales Tax	675,000
PEC Franchise Tax	180,000
Mixed Beverage Tax	43,000
Administration	518,750
Fire	240,000
Emergency Service District	37,750
Police	32,600
Development Services	74,500
Street Maintenance	922,500
Mowing & Clearing	461,000
Municipal Court	8,500
Interest From Investments	5,000
	<u>6,662,600</u>
TOTAL FUNDS AVAILABLE	<u>10,350,600</u>
EXPENDITURES:	
Operating Expenditures:	
Administration	1,653,500
Fire	1,654,000
Police	1,734,500
Animal Control	134,000
Development Services	245,500
Street Maintenance	250,000
Mowing & Clearing	615,000
Capital Expenditures	59,500
Transfers Out to the Capital Projects Fund	250,000
	<u>6,596,000</u>
TOTAL EXPENDITURES	<u>6,596,000</u>
ENDING UNRESTRICTED FUND BALANCE	<u><u>3,754,600</u></u>

CITY OF HORSESHOE BAY

**GENERAL FUND CAPITAL EXPENDITURES
FISCAL YEAR 2013 - 2014**

1000	ADMINISTRATION	
50950	Monument Sign	25,000
5000	FIRE	
50956	Replacement Vehicle	-
50955	Capital Outlay - Machinery & Equipment Extractor for cleaning turnouts	9,500
8000	POLICE	
50956	Replacement Vehicles (2)	-
	GENERAL EQUIPMENT REPLACEMENT	<u>25,000</u>
	TOTAL FY2014 CAPITAL EXPENDITURES	<u><u>59,500</u></u>

CITY OF HORSESHOE BAY

GENERAL FUND PROPOSED BUDGET

From 10/1/2013 To 9/30/2014

Account Code	Account Title	FY 2013 Projected Actuals	FY 2014 Proposed Budget
OPERATING REVENUE			
1000	ADMINISTRATION		
40170	Administrative Fees	417,500	478,000
40180	Other Income	15,500	10,000
40185	Other Income-Permits	500	250
40193	Municipal Court Revenue	9,000	8,500
40194	Traffic Fines	31,000	30,000
Total 1000	ADMINISTRATION	473,500	526,750
5000	FIRE		
40180	Other Income	4,500	2,500
40186	Other Income-Pub/Sfty Donation	15,000	2,500
40506	Fire Fighting Services	240,000	235,000
Total 5000	FIRE	259,500	240,000
6000	EMERGENCY SERVICE DISTRICT		
40190	Llano Cty ESD #1 Contract Svcs	25,250	28,750
40191	Llano Co. ESD #1 - Rent	9,000	9,000
Total 6000	EMERGENCY SERVICE DISTRICT	34,250	37,750
7000	TAX		
40160	Property Tax Collected (M & O)	3,465,000	3,430,000
40162	Penalty & Interest (M & O)	34,000	34,000
40163	Mixed Beverage Tax	43,000	43,000
40165	Sales Tax	675,000	675,000
40166	PEC Franchise Tax	180,000	180,000
40180	Other Income	500	500
Total 7000	TAX	4,397,500	4,362,500
8000	POLICE		
40169	Traffic Control & Escort Svcs	32,000	30,000
40180	Other Income	100	100
40186	Other Income-Pub/Sfty Donation	5,000	2,500
Total 8000	POLICE	37,100	32,600

CITY OF HORSESHOE BAY

GENERAL FUND PROPOSED BUDGET

From 10/1/2013 To 9/30/2014

Account Code	Account Title	FY 2013 Projected Actuals	FY 2014 Proposed Budget
9500	DEVELOPMENT SERVICES		
40180	Other Income	3,000	3,000
40183	Building Permit Fees	65,000	65,000
40184	Plat Fees	2,500	2,000
40192	Zoning Fees	1,500	1,500
40197	Plan Reviews	2,000	1,000
40198	Compliance Inspection Fees	2,000	1,500
40199	OSSF Permit Fees	500	500
Total 9500	DEVELOPMENT SERVICES	76,500	74,500
9600	STREET MAINTENANCE		
40165	Sales Tax	130,000	130,000
40207	Pecan Creek Association	3,621	3,750
40208	Applehead POA	5,645	5,750
40209	Applehead Island POA	1,016	1,000
40210	HSB POA	400,000	500,000
40211	Cable Franchise Fees	32,000	32,000
40213	Amenities Owner	250,000	250,000
Total 9600	STREET MAINTENANCE	822,282	922,500
9700	MOWING & CLEARING		
40215	Mowing	-	385,000
40216	Clearing	-	76,000
		-	461,000
9999	INTEREST INCOME		
40220	Interest on Investments	6,000	5,000
Total 9999	INTEREST INCOME	6,000	5,000
TOTAL OPERATING REVENUE		6,106,632	6,662,600

CITY OF HORSESHOE BAY

GENERAL FUND PROPOSED BUDGET

From 10/1/2013 To 9/30/2014

Account		FY 2013	FY 2014
Code	Account Title	Projected	Proposed
		Actuals	Budget
OPERATING EXPENDITURES			
1000	ADMINISTRATION		
50410	Salaries & Wages	446,000	456,000
50411	Overtime	-	37,500
50415	Employers FICA Expense	33,000	37,500
50420	Group Insurance Premiums	55,000	68,000
50430	Pension Plan I	25,000	29,500
50432	Pension Plan II	19,000	22,000
50435	Employers Unemployment Expense	10,000	10,000
50500	Accounting & Auditing Expense	13,000	13,000
50505	Professional Services	10,000	12,000
50506	Election Contracts	4,250	5,250
50509	Appraisal/Tax - Burnet	8,750	9,000
50510	Appraisal/Tax - Llano	85,500	87,500
50545	Maintenance Contracts	30,250	30,250
50548	Contract Services	-	-
50564	Codification	5,500	5,750
50565	City Council Expense	2,000	2,000
50570	Dispatch Expense	69,000	69,000
50575	Dues, Fees, & Subscriptions	7,000	7,250
50585	Electricity	42,000	42,000
50593	Travel, Training, Schools	6,000	6,000
50595	Fuel & Lubricants	500	500
50596	Employee Awards Program	1,000	1,000
50607	Garbage Service	500	-
50610	Property & Liability Ins.	76,750	80,000
50611	Workers' Comp Insurance	74,750	80,000
50620	Legal Expense	50,000	50,000
50621	Contingency	-	250,000
50625	Fireworks	10,000	10,000
50630	M & R - Building	20,000	20,000
50650	M & R - Grounds	7,500	7,500
50685	M & R - Vehicles	1,000	1,500
50753	Merchant Fee - CC	3,000	3,000
50765	Other Expense	5,500	5,500
50775	Postage	12,500	12,500
50780	Printing & Office Supplies	25,000	25,000
50810	Communications	35,000	35,000
50826	Municipal Court	27,500	27,500
50827	Contributions	10,000	10,000
50863	Lot Mowing	50,000	-
50864	Lot Clearing	75,000	-
50866	Tree Removal	125,000	50,000
50868	Martin Park	-	5,000
50869	Horseshoe Creek Park	-	25,000
50870	Fox House Park	-	5,000
Total 1000	ADMINISTRATION	1,481,750	1,653,500

CITY OF HORSESHOE BAY

GENERAL FUND PROPOSED BUDGET

From 10/1/2013 To 9/30/2014

Account		FY 2013	FY 2014
Code	Account Title	Projected Actuals	Proposed Budget
5000	FIRE		
50410	Salaries & Wages	980,000	1,009,000
50411	Overtime	20,000	25,000
50412	Salaries - P/T Firefighters	22,000	22,000
50415	Employers FICA Expense	75,000	79,000
50420	Group Insurance Premiums	170,000	203,500
50430	Pension Plan I	65,500	66,000
50432	Pension Plan II	44,500	49,000
50505	Professional Services	12,250	11,500
50545	Maintenance Contracts	1,600	3,500
50548	Contract Services	-	6,500
50575	Dues, Fees, & Subscriptions	6,500	7,000
50592	Equipment & Supplies	16,500	21,000
50593	Travel, Training, Schools	22,000	25,500
50594	Fire Protection Gear	28,000	22,500
50595	Fuel & Lubricants	20,000	25,000
50640	M & R - Equipment	16,000	16,000
50685	M & R - Vehicles	28,000	28,000
50765	Other Expense	11,000	11,000
50775	Postage	500	500
50780	Printing & Office Supplies	1,600	2,000
50800	Safety Equipment & Supplies	4,000	4,000
50829	Public Safety Donations	6,000	2,500
50830	Uniforms	12,000	14,000
Total 5000	FIRE	1,562,950	1,654,000
8000	POLICE		
50410	Salaries & Wages	1,065,000	1,130,000
50411	Overtime	30,000	30,000
50415	Employers FICA Expense	84,000	86,250
50420	Group Insurance Premiums	151,000	179,500
50430	Pension Plan I	62,000	68,000
50432	Pension Plan II	47,000	53,000
50548	Contract Services	10,000	17,500
50575	Dues, Fees, & Subscriptions	7,000	7,000
50592	Equipment & Supplies	3,000	18,000
50593	Travel, Training, Schools	6,500	6,500
50595	Fuel & Lubricants	75,000	75,000
50615	Investigation Contingency	4,500	4,500
50616	Jail Expense	500	500
50640	M & R - Equipment	3,000	3,000
50685	M & R - Vehicles	24,000	24,000
50686	M & R - Weapons	4,000	4,000
50760	Medical	1,000	1,000
50761	N.E.T. - Funding	5,000	5,000
50765	Other Expense	3,500	3,500
50775	Postage	200	250
50780	Printing & Office Supplies	2,500	2,500
50800	Safety Equipment & Supplies	3,000	3,000
50829	Public Safety Donations	5,000	2,500
50830	Uniforms	10,000	10,000
Total 8000	POLICE	1,606,700	1,734,500

CITY OF HORSESHOE BAY

GENERAL FUND PROPOSED BUDGET

From 10/1/2013 To 9/30/2014

Account		FY 2013	FY 2014
Code	Account Title	Projected	Proposed
		Actuals	Budget
9000	ANIMAL CONTROL		
50410	Salaries & Wages	36,000	38,250
50411	Overtime	4,500	5,000
50415	Employers FICA Expense	3,250	3,250
50420	Group Insurance Premiums	6,750	8,000
50430	Pension Plan I	2,500	2,750
50432	Pension Plan II	1,750	1,750
50502	Animal Shelter	3,000	3,000
50592	Equipment & Supplies	750	750
50593	Travel, Training, Schools	500	500
50595	Fuel & Lubricants	8,000	8,000
50685	M & R - Vehicles	2,000	2,000
50765	Other Expense	250	250
50830	Uniforms	500	500
50862	Deer Management	90,000	60,000
Total 9000	ANIMAL CONTROL	159,750	134,000
9500	DEVELOPMENT SERVICES		
50410	Salaries & Wages	125,000	113,750
50411	Overtime	1,000	1,250
50415	Employers FICA Expense	10,000	8,750
50420	Group Insurance Premiums	30,000	24,500
50430	Pension Plan I	10,500	8,500
50432	Pension Plan II	6,000	5,750
50505	Professional Services	-	50,000
50507	Floodplain Study	125,000	-
50545	Maintenance Contracts	10,000	10,000
50575	Dues, Fees, & Subscriptions	4,000	5,000
50590	Engineering Fees	40,000	-
50592	Equipment & Supplies	1,000	2,000
50593	Travel, Training, Schools	4,500	4,500
50595	Fuel & Lubricants	2,000	2,500
50685	M & R - Vehicles	1,500	2,000
50753	Merchant Fee - CC	700	1,000
50765	Other Expense	2,500	2,500
50775	Postage	100	500
50777	Advertisements/Notices	500	1,000
50780	Printing & Office Supplies	1,500	1,500
50830	Uniforms	500	500
Total 9500	DEVELOPMENT SERVICES	376,300	245,500

CITY OF HORSESHOE BAY

GENERAL FUND PROPOSED BUDGET

From 10/1/2013 To 9/30/2014

Account Code	Account Title	FY 2013 Projected Actuals	FY 2014 Proposed Budget
9600	STREETS MAINTENANCE		
50590	Engineering Fees	-	5,000
50854	Street Patching Contract	40,000	45,000
50855	Street Patching Materials	25,000	25,000
50856	Drainage	10,000	10,000
50857	Traffic Signs Contract	35,000	35,000
50858	Traffic Signs Materials	10,000	10,000
50859	Litter Control Contract	25,000	25,000
50865	ROW Maintenance	85,000	95,000
Total 9600	STREETS MAINTENANCE	230,000	250,000
9700	MOWING & CLEARING		
50863	Lot Mowing	-	525,000
50864	Lot Clearing	-	90,000
Total 9700	MOWING & CLEARING	-	615,000
TOTAL OPERATING EXPENDITURES		<u>5,417,450</u>	<u>6,286,500</u>
FY 2013 CAPITAL OUTLAY		54,000	-
FY 2014 CAPITAL OUTLAY			
1000	ADMINISTRATION		
50950	Monument Sign		25,000
5000	FIRE		
50956	Replacement Vehicle		-
50955	Capital Outlay - Machinery & Equipment Extractor for cleaning turnouts		9,500
8000	POLICE		
50956	Replacement Vehicles (2)		-
GENERAL EQUIPMENT REPLACEMENT			<u>25,000</u>
TOTAL FY 2014 CAPITAL			59,500
9995	TRANSFERS OUT		
50834	Transfers Out to the CP Fund	1,250,000	250,000
Total 9995	TRANSFERS OUT	1,250,000	250,000
TOTAL EXPENDITURES		<u>6,721,450</u>	<u>6,596,000</u>
REVENUE OVER EXPENDITURES		<u>(614,818)</u>	<u>66,600</u>

CITY OF HORSESHOE BAY
UTILITY FUND
PROPOSED BUDGET SUMMARY
FISCAL YEAR 2013 - 2014

BEGINNING NET ASSETS	19,172,000
REVENUES:	
Operating Revenues:	
Water Production & Distribution	3,221,750
Wastewater Treatment & Collection	2,070,000
Solid Waste - Collection	775,000
Standby Fees	1,750
Interest From Investments	8,000
TOTAL REVENUES	<u>6,076,500</u>
TOTAL NET ASSETS	<u>25,248,500</u>
EXPENSES:	
Operating Expenses:	
Administration	1,913,600
Water Production & Distribution	1,430,750
Wastewater Treatment & Collection	1,074,000
Solid Waste	600,250
Total Operating Expenses	<u>5,018,600</u>
Depreciation	<u>1,500,000</u>
TOTAL EXPENSES	<u>6,518,600</u>
ENDING NET ASSETS	<u><u>18,729,900</u></u>
 TOTAL OPERATING REVENUES	 6,076,500
TOTAL OPERATING EXPENSES	<u>5,018,600</u>
EXCESS REVENUES OVER EXPENSES	<u>1,057,900</u>
ADDITIONAL EXPENDITURES	
Capital	544,000
Major Projects	890,000
Developer's Contribution	(275,000)
Debt Service - Principal	480,000
TOTAL ADDITIONAL EXPENDITURES	<u>1,639,000</u>
NET CASH FLOW	<u><u>(581,100)</u></u>

CITY OF HORSESHOE BAY

**UTILITY FUND CAPITAL EXPENDITURES
FISCAL YEAR 2013 - 2014**

FY 2014 CAPITAL EXPENDITURES

High Storage Pumps/Meter Upgraded	85,000
Water Line Extensions	20,000
Wastewater Line Extensions	20,000
Emergency Equipment Replacement	90,000
Vehicle Replacement	55,000
Auto-System Flushing Valves	40,000
Pressure Reducing Valves	25,000
CWTP Chlorine System Replacement	20,000
Ultra-sonic Flow Meter	11,000
Water Meter Replacement Program	94,000
Maintenance Truck - new personnel	44,000
Mini Excavator	40,000
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SUBTOTAL CAPITAL EXPENDITURES	544,000

FY 2014 MAJOR PROJECTS EXPENDITURES

Hi Circle South Waterline Replacement	115,000
The Trails Waterline Interconnection	-
Water's Edge Raw Waterline Replacement	100,000
Western Bit Sewer Line Upgrade	400,000
West Water Plant Expansion - Engineering	100,000
Summit Rock Elevated Storage Tank	125,000
Summit Rock Lift Station	50,000
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SUBTOTAL MAJOR PROJECTS EXPENDITURES	890,000
Developer's Contribution	(275,000)

TOTAL FY 2014 CAPITAL EXPENDITURES	<hr/> 1,159,000 <hr/>
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CITY OF HORSESHOE BAY

UTILITY FUND PROPOSED BUDGET

From 10/1/2013 To 9/30/2014

Account Code	Account Title	FY 2013 Projected Actuals	FY 2014 Proposed Budget
OPERATING REVENUE			
1001	WATER - PRODUCTION		
40110	Water District Service Fees	3,000,000	2,895,000
40111	Water Non-District Service Fee	233,500	240,250
40112	Water Tap Connection Fees	39,500	40,000
40115	Reconnection Fees	14,000	14,250
40116	Temporary Meter Fees	3,250	3,250
40117	Water & Sewer P & I Service	13,250	13,500
40178	Other Income - Leases	7,500	7,500
40180	Other Income	7,000	7,000
40185	Other Income-Permits	1,000	1,000
Total 1001	WATER - PRODUCTION	3,319,000	3,221,750
2001	WASTEWATER - TREATMENT		
40117	Water & Sewer P & I Service	13,000	13,250
40120	Sewer Customer Service Fees	1,786,000	1,806,750
40122	Sewer Tap Connection Fees	21,500	22,000
40124	Sewer Service - Cottonwood Shores	116,000	118,000
40125	Sewer Service - LCMUD#1	47,000	48,000
40127	Grinder Sales	57,500	58,000
40180	Other Income	4,000	4,000
Total 2001	WASTEWATER - TREATMENT	2,045,000	2,070,000
3001	SOLID WASTE - RECYCLING		
40126	Brush Disposal	14,500	14,750
40130	Garbage Fees - Commercial	125,000	125,000
40135	Garbage Fees - Residential	635,000	635,000
40180	Other Income	250	250
Total 3001	SOLID WASTE - RECYCLING	774,750	775,000
4000	STANDBY		
40140	Standby Customer Service Fees	1,000	1,000
40142	Penalty & Interest - Standby	750	750
Total 4000	STANDBY	1,750	1,750
9999	INTEREST INCOME		
40220	Interest on Investments	9,000	8,000
Total 9999	INTEREST INCOME	9,000	8,000
TOTAL OPERATING REVENUE		6,149,500	6,076,500

CITY OF HORSESHOE BAY

UTILITY FUND PROPOSED BUDGET From 10/1/2013 To 9/30/2014

Account Code	Account Title	FY 2013 Projected Actuals	FY 2014 Proposed Budget
OPERATING EXPENSE			
1000	ADMINISTRATION		
50410	Salaries & Wages	242,750	286,600
50411	Overtime	3,000	3,000
50415	Employers FICA Expense	17,500	22,250
50420	Group Insurance Premiums	48,000	50,750
50430	Pension Plan I	16,000	18,250
50432	Pension Plan II	9,500	14,000
50435	Employers Unemployment Expense	5,000	5,000
50505	Professional Services	6,500	5,000
50512	Utility Billing	26,750	26,000
50516	Debt Service - Interest Series 2007	245,000	244,250
50517	Bond Issuance Cost - Series 2007	3,500	3,500
50518	Debt Service Interest-Series 2011	107,000	104,500
50519	Bond Issuance Cost - Series 2011	4,750	4,750
50545	Maintenance Contracts	50,250	50,000
50575	Dues, Fees, & Subscriptions	14,500	15,000
50581	Electricity/Recycle Center	1,250	1,250
50582	Electricity/WW Treatment Plant	158,000	160,000
50583	Electricity/West WTP	58,000	56,000
50585	Electricity/Field Maintenance Facilities	6,250	6,750
50586	Electricity / CWTP	156,000	155,000
50590	Engineering Fees	59,500	60,000
50593	Travel, Training, Schools	20,000	20,000
50596	Employee Awards Program	1,000	1,000
50607	Garbage Service	250	250
50630	M & R - Building	12,500	12,000
50650	M & R - Grounds	18,000	18,500
50753	Merchant Fee - CC	32,000	32,000
50765	Other Expense	3,500	3,500
50775	Postage	500	500
50780	Printing & Office Supplies	15,500	15,500
50810	Communications	35,000	35,500
50825	Uncollectable Accounts	4,000	4,000
50830	Uniforms	1,000	1,000
50840	Administrative Fees	417,500	478,000
Total 1000	ADMINISTRATION	1,799,750	1,913,600

CITY OF HORSESHOE BAY

UTILITY FUND PROPOSED BUDGET

From 10/1/2013 To 9/30/2014

Account Code	Account Title	FY 2013 Projected Actuals	FY 2014 Proposed Budget
1001	WATER - PRODUCTION		
50400	Salaries Water	175,250	175,250
50411	Overtime	25,000	20,000
50415	Employers FICA Expense	14,750	14,750
50420	Group Insurance Premiums	41,000	47,000
50430	Pension Plan I	10,500	12,000
50432	Pension Plan II	8,500	9,000
50535	Bulk Water Purchases	348,500	327,500
50540	Chemicals / Water	78,000	72,000
50548	Contract Services	3,000	3,000
50555	Lab Expense	16,000	16,000
50592	Equipment & Supplies	4,500	4,500
50595	Fuel & Lubricants	13,000	20,000
50640	M & R - Equipment	5,500	5,500
50675	M & R - Plant	61,500	60,000
50685	M & R - Vehicles	3,750	3,750
50765	Other Expense	3,000	3,000
50785	Rent / Lease	2,000	2,000
50800	Safety Equipment & Supplies	3,300	3,250
50830	Uniforms	3,500	3,500
Total 1001	WATER - PRODUCTION	820,550	802,000
1002	WATER - DISTRIBUTION		
50400	Salaries Water	253,500	279,500
50411	Overtime	20,250	27,750
50415	Employers FICA Expense	20,250	23,250
50420	Group Insurance Premiums	39,500	62,000
50430	Pension Plan I	16,250	18,750
50432	Pension Plan II	12,500	14,250
50548	Contract Services	8,000	8,000
50550	Contract Serv-Leak Detect/GPS	15,000	15,000
50592	Equipment & Supplies	18,500	18,500
50595	Fuel & Lubricants	18,500	25,000
50640	M & R - Equipment	10,000	10,000
50685	M & R - Vehicles	11,750	10,000
50725	M & R Materials - Line	50,500	50,000
50730	M & R Materials - WT Tap	25,000	27,000
50755	Meter Expense - New Svc	23,500	25,000
50765	Other Expense	4,500	4,500
50785	Rent / Lease	2,000	2,000
50800	Safety Equipment & Supplies	3,500	3,500
50830	Uniforms	4,250	4,750
Total 1002	WATER - DISTRIBUTION	557,250	628,750

CITY OF HORSESHOE BAY

UTILITY FUND PROPOSED BUDGET

From 10/1/2013 To 9/30/2014

Account Code	Account Title	FY 2013 Projected Actuals	FY 2014 Proposed Budget
2001	WASTEWATER - TREATMENT		
50406	Salaries Sewer	126,250	117,250
50411	Overtime	20,000	15,000
50415	Employers FICA Expense	10,250	10,250
50420	Group Insurance Premiums	27,000	31,000
50430	Pension Plan I	8,250	8,000
50432	Pension Plan II	6,500	6,000
50543	Chemicals / WW Treatment	10,250	10,250
50548	Contract Services	4,000	4,000
50555	Lab Expense	7,250	7,250
50592	Equipment & Supplies	4,500	4,500
50595	Fuel & Lubricants	13,000	20,000
50640	M & R - Equipment	5,500	3,000
50675	M & R - Plant	25,000	25,000
50685	M & R - Vehicles	4,000	4,000
50742	Bio Solids - Compost	12,000	12,000
50765	Other Expense	3,000	3,000
50785	Rent / Lease	2,000	2,000
50800	Safety Equipment & Supplies	2,500	2,500
50830	Uniforms	3,500	4,250
Total 2001	WASTEWATER - TREATMENT	294,750	289,250
2002	WASTEWATER - COLLECTION		
50406	Salaries Sewer	220,500	279,750
50411	Overtime	31,000	31,000
50415	Employers FICA Expense	20,000	23,500
50420	Group Insurance Premiums	59,250	73,750
50430	Pension Plan I	14,500	18,750
50432	Pension Plan II	10,500	14,250
50542	Chemicals/Collection System	11,000	11,000
50548	Contract Services	8,000	8,000
50550	Contract Serv-Leak Detect/GPS	15,000	15,000
50592	Equipment & Supplies	20,500	20,000
50595	Fuel & Lubricants	19,500	25,000
50640	M & R - Equipment	10,000	10,000
50645	M & R - Grinder Pump	100,000	100,000
50646	M & R - Grinders Sold	49,500	50,000
50670	M & R - Lift Station	22,250	22,000
50685	M & R - Vehicles	11,750	10,000
50715	M & R Materials - GP Tap	17,000	18,500
50725	M & R Materials - Line	39,500	40,000
50765	Other Expense	3,750	4,500
50785	Rent / Lease	2,000	2,000
50800	Safety Equipment & Supplies	3,500	3,500
50830	Uniforms	4,000	4,250
Total 2002	WASTEWATER - COLLECTION	693,000	784,750

CITY OF HORSESHOE BAY

UTILITY FUND PROPOSED BUDGET

From 10/1/2013 To 9/30/2014

Account Code	Account Title	FY 2013 Projected Actuals	FY 2014 Proposed Budget
3001	SOLID WASTE - RECYCLING		
50409	Salaries - Monitor	42,000	53,250
50411	Overtime	500	750
50415	Employers FICA Expense	3,250	4,250
50420	Group Insurance Premiums	10,250	11,500
50430	Pension Plan I	2,500	2,500
50432	Pension Plan II	-	-
50599	Compactor Service	10,650	11,000
50600	Garbage Service - Commercial	101,500	103,500
50605	Garbage Service - Residential	387,000	385,000
50606	Recycling Service	18,000	18,500
50676	M & R Brush Site	5,000	5,000
50785	Rent / Lease	5,000	5,000
Total 3001	SOLID WASTE - RECYCLING	585,650	600,250
TOTAL OPERATING EXPENSE		<u>4,750,950</u>	<u>5,018,600</u>
REVENUE OVER EXPENSE		<u>1,398,550</u>	<u>1,057,900</u>
ADDITIONAL EXPENDITURES			
FY 2013 CAPITAL EXPENDITURES		420,000	
FY 2013 CAPITAL EXPENDITURES - MAJOR PROJECTS		2,393,000	
FY 2014 CAPITAL EXPENDITURES			
	High Storage Pumps/Meter Upgraded		85,000
	Water Line Extensions		20,000
	Wastewater Line Extensions		20,000
	Emergency Equipment Replacement		90,000
	Vehicle Replacement		55,000
	Auto-System Flushing Valves		40,000
	Pressure Reducing Valves		25,000
	CWTP Chlorine System Replacement		20,000
	Ultra-sonic Flow Meter		11,000
	Water Meter Replacement Program		94,000
	Maintenance Truck - new personnel		44,000
	Mini Excavator		<u>40,000</u>
	SUBTOTAL CAPITAL EXPENDITURES		544,000

CITY OF HORSESHOE BAY

UTILITY FUND PROPOSED BUDGET

From 10/1/2013 To 9/30/2014

Account Code	Account Title	FY 2013 Projected Actuals	FY 2014 Proposed Budget
FY 2014 MAJOR PROJECTS EXPENDITURES			
	Hi Circle South Waterline Replacement		115,000
	The Trails Waterline Interconnection		-
	Water's Edge Raw Waterline Replacement		100,000
	Western Bit Sewer Line Upgrade		400,000
	West Water Plant Expansion - Engineering		100,000
	Summit Rock Elevated Storage Tank		125,000
	Summit Rock Lift Station (Design Only)		50,000
			<hr/>
	SUBTOTAL MAJOR CAPITAL EXPENDITURES		890,000
	TOTAL FY 2014 CAPITAL EXPENDITURES		1,434,000
	DEVELOPER'S CONTRIBUTION	(1,483,000)	(275,000)
	DEBT SERVICE - PRINCIPAL SERIES 2007	300,000	315,000
	DEBT SERVICE - PRINCIPAL SERIES 2011	160,000	165,000
	TOTAL ADDITIONAL EXPENDITURES	<hr/> 1,790,000	<hr/> 1,639,000
	NET CASH FLOW	<hr/> (391,450)	<hr/> (581,100)

CITY OF HORSESHOE BAY
CAPITAL PROJECTS FUND
PROPOSED BUDGET SUMMARY
FISCAL YEAR 2013 - 2014

BEGINNING UNRESTRICTED FUND BALANCE	-
REVENUES:	
Transfers In from General Fund	250,000
Interest From Investments	1,000
	<u>251,000</u>
TOTAL FUNDS AVAILABLE	<u>251,000</u>
EXPENDITURES:	
Project Management	99,250
Capital Expenditures	5,500,000
TOTAL EXPENDITURES	<u>5,599,250</u>
ENDING UNRESTRICTED FUND BALANCE	<u><u>(5,348,250)</u></u>

Note: The City will either use current undedicated funds and/or issue certificates of obligation to continue funding the street improvements project.

CITY OF HORSESHOE BAY

**CAPITAL PROJECTS FUND CAPITAL EXPENDITURES
FISCAL YEAR 2013 - 2014**

50961	Street Improvements - CONST.	5,000,000
50962	Street Improvements - ENG/SURVEY	<u>500,000</u>
TOTAL FY2014 CAPITAL EXPENDITURES		<u><u>5,500,000</u></u>

CITY OF HORSESHOE BAY

**DEBT SERVICE FUND
PROPOSED BUDGET SUMMARY
FISCAL YEAR 2013 - 2014**

BEGINNING UNRESTRICTED FUND BALANCE	5,000
REVENUES:	
Ad Valorem Taxes	425,000
Interest From Investments	<u>100</u>
	425,100
TOTAL FUNDS AVAILABLE	<u>430,100</u>
EXPENDITURES:	
Debt Service Interest-Series 2011	165,000
Debt Service Principal -Series 2011	260,000
TOTAL EXPENDITURES	<u>425,000</u>
ENDING UNRESTRICTED FUND BALANCE	<u><u>5,100</u></u>

CITY OF HORSESHOE BAY

DEBT SERVICE FUND

BUDGET

From 10/1/2013 To 9/30/2014

Account Code	Account Title	FY 2013 Projected Actuals	FY 2014 Proposed Budget
OPERATING REVENUE			
7000	TAX		
40150	Property Tax Collected (I&S)	430,000	425,000
Total 7000	TAX	430,000	425,000
9999	INTEREST INCOME		
40220	Interest on Investments	100	100
Total 9999	INTEREST INCOME	100	100
TOTAL OPERATING REVENUE		430,100	425,100
OPERATING EXPENDITURES			
7000	TAX		
50518	Debt Service Interest - Series 2011	169,250	165,000
50519	Debt Service Principal - Series 2011	255,000	260,000
Total 7000	TAX	424,250	425,000
TOTAL OPERATING EXPENDITURES		424,250	425,000
REVENUE OVER EXPENDITURES		5,850	100

City of Horseshoe Bay, Texas

General Fund
Balance Sheet, May 31, 2013
(Unaudited)

Cash	180,000
Receivables	357,000
Prior years taxes receivable	125,000
Investments	5,694,000
Total assets	6,356,000

Miscellaneous liabilities	290,000
Deposits, building permits	76,000
Deferred revenue, prior year taxes	125,000
Deferred revenue, current year items	1,120,000
Deferred reveune, PEG fees	9,000
Fund balance:	
Balance at October 1, 2012	4,304,000
Operations to May 31, 2013	469,000
Current year capital expenditures	(37,000)
Total fund balance at May 31, 2013	4,736,000
Total liabilities and fund balance	6,356,000

It is anticipated that the following will occur from May 31, 2013 to September 30, 2013:

1. \$220,000 positive results from operations
2. \$17,000 additional capital expenditures
3. \$1,250,000 transfer to the Capital Projects Fund
4. \$1,120,000 deferred revenue realized

The result would be the following:

Investments would be \$3,526,000.

Fund balance would be \$3,689,000.

City of Horseshoe Bay, Texas

Utility Fund
Balance Sheet - May 31, 2013
(Unaudited)

Cash	318,000
Accounts receivable	723,000
Standby fees receivable	52,000
Material and supplies inventory	77,000
Bond issuance cost	140,000
Investments:	
LCMUD#1	67,000
Rate Stabilization Fund	6,102,000
Total investments	6,169,000
Total property, plant and equipment	44,178,000
Accumulated depreciation	(21,009,000)
Net property, plant and equipment	23,169,000
Total assets	30,648,000
Miscellaneous liabilities	82,000
Payable to LCRA	107,000
Security deposits	284,000
Deferred revenue	123,000
Accrued interest	117,000
Bonds payable	9,535,000
Net Assets:	
Balance at October 1, 2012	19,030,000
Operations to May 31, 2013	1,370,000
Balance at May 31, 2013	20,400,000
Total liabilities and fund balance	30,648,000

It is anticipated that the following will occur from May 31, 2013 to September 30, 2013:

1. \$685,000 positive results from operations
2. \$413,000 non-reimbursable additional capital expenditures
3. \$1,500,000 annual depreciation expense realized

The result would be the following:

The balance in the rate stabilization fund would be \$6,374,000

Net Assets would be \$19,172,000